GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4143
ANSWERED ON:14.12.2001
SHIP BREAKING ACTIVITIES
LAXMINARAYAN PANDEY

Will the Minister of FINANCE be pleased to state:

(a)whether the Government have recognised the ship breaking activities as manufacturing activities;

(b) if so, whether even after recognising the above company as manufacturing activity, Central excise duty is being charged;

(c) whether it is also not being treated as a manufacturing activity under the 80 IH and 80HH section of Income Tax Act, 1961; and

(d) if so, the reasons therefor?

Answer

MINISTER OF STATE THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) & (b) Sir, Central Excise Department recognise Ship Breaking Activities as manufacturing activities and central excise duty is being charged subject to certain exemption.

(c) & (d) Ship Breaking Activities is not being treated as a manufacturing activity by the Income Tax Department since it does not entail transformation of raw materials into other distinct products.